

## **SFDF SUBMISSION TO CONSULTATION ON RENEWABLE ENERGY FRAMEWORK**

On behalf of the Scottish Food and Drink Federation (SFDF), I would like to thank you for the opportunity to contribute to this consultation process.

In our view, a successful food and drink manufacturing industry is a vital component of a healthy Scottish economy, not least because it generates annual sales of £7.57 billion and exports worth £3.57 billion. It also provides employment for around 50,000 people, that is, one in five of the total Scottish manufacturing workforce.

### **Achieving Sustainable Economic Growth**

We share the Scottish Government's view that achieving sustainable economic growth should be our key priority. However, underinvestment in Scotland's infrastructure over a number of years has, to an extent, acted as a brake on the business growth rate. Therefore, SFDF is of the view that Government has a crucial role to play in ensuring the physical infrastructure put in place across Scotland – including the electricity network - is fit for purpose and has sufficient capacity to meet the needs of a growing industry.

### **Renewable Energy Framework: Addressing Both Sides of the Equation**

In recent years increasing energy costs, concerns over the impact of climate change and the nature of Scotland's climate and geography have combined to give impetus to energy efficiency programmes and promotion of the generation of energy from renewable sources.

Therefore, we welcome the Scottish Government's desire to develop a renewable energy framework and its ambition to increase the relative contribution of energy generated from renewable sources as part of Scotland's overall energy mix. However, this is only one side of the equation.

On the other side of the equation – the macro side - an electricity network that is fit for purpose and has sufficient capacity across the whole of Scotland to supply the needs of growing businesses is crucial to the long-term success of our industry.

Therefore, the grid, grid connectivity, funding and planning all need to be addressed as a matter of urgency by the Scottish Government when developing a renewable energy framework if new sources of energy generation are to be harnessed and made accessible across the country.

### **Infrastructure: An Energy Network that is Fit for Purpose**

As already stated SFDF is of the view that it is the role of Government to ensure that a physical infrastructure is put in place that is fit for purpose, has sufficient capacity to meet the needs of industry and facilitates growth.

The reality is, however, that Scotland has an ageing, limited capacity, grid-distributed electricity network which is geographically centralised. The characteristics of this network include weak, low voltage 11kV networks, often supplying small communities and farms or extra urban areas. Conversely, all areas are transmitted by high voltage 33kVA wooden pole transmission lines and >132kVA pylon lines which attract commercially restrictive connection and reinforcement charges.

In recent years this situation has literally applied a brake to business growth in a number of instances due to insufficient capacity in network sub-stations to supply additional power for companies seeking to extend their premises or increase production to meet growing demand.

To date, the only way to resolve this situation has been for companies to pay to upgrade the local network / sub station, adding significantly to business costs and impacting on competitiveness. Indeed, even where companies have been in a position to invest in their own on-site renewable energy generation, the perishable nature of many food and drink products means there is generally still a requirement to connect such projects into the grid in order to guarantee continuity of supply.

Note: The Scottish Food and Drink Federation has also made a submission in respect of waste. This has been published on the Scottish Parliament Rural Affairs and Environment Committee web site. Click [here](#).

Therefore, when developing a renewable energy framework, this situation where the electricity network is developed and upgraded in such a piecemeal fashion cannot be allowed to persist. The Scottish Government needs to take a more strategic approach to development of the network and must ensure the grid, grid connectivity; funding and planning issues are all addressed as a matter of urgency.

### **The Transition to a Low Carbon Economy: The Contribution of Renewables**

The Scottish Government's aspiration of making the transition to a low carbon economy will not and cannot be achieved through the development of a renewable energy framework alone.

Reducing carbon emissions through the use of renewable energy must be taken in conjunction with a range of activities, including promotion and delivery of improved resource efficiency. In recognition of this, the food and drink manufacturing industry has already taken significant steps towards maximising their energy efficiency through our Five-fold Environmental Ambitions (FEA), which include a commitment to achieving a 20% reduction in CO2 emissions by 2010.

More generally, by analysing power usage, companies can develop a better understanding of where and how power is being used and thereby target savings through efficiency improvements. While this can be used to inform capital expenditure decisions, in today's uncertain economic climate some companies may require a greater degree of support (advice and funds) from government to make the required investment to cover such initiatives.

With this in mind, SFDF recently secured agreement of all the main business support programmes to provide food and drink manufacturing companies in Scotland with access to a coordinated programme of support and advice. This coordinated programme of support is a significant benefit for our members in the food and drink manufacturing industry as it will assist them in delivering progress towards achieving our FEA.

SFDF would encourage the Scottish Government to promote the delivery of coordinated support and advice to companies and make additional funds available to companies to invest in efficiency savings.

### **Conclusions**

Addressing the range of interrelated energy issues should be high on the Scottish Government's list of priorities in seeking to develop a renewable energy framework which meets the needs of our industry and contributes to the achievement of sustainable economic growth.

The Scottish Government's approach needs to strike the right balance between economic, social and environmental factors, in order to secure improvements and progress without damaging the underlying competitiveness of industry in Scotland. It also needs to be more strategic in approach and take into account the grid, grid connectivity, funding and planning in developing a renewable energy framework if new sources of energy generation are to be harnessed and made accessible across the country.

I trust our comments will be taken into consideration, however, if you require further input please do not hesitate to contact me.

## The Food and Drink Manufacturing Industry

The Scottish Food and Drink Federation (SFDF) represents the food and drink manufacturing industry in Scotland. The food and drink manufacturing industry in Scotland has a gross output of around £7.57 billion and exports worth £3.57 billion.

SFDF is a devolved division of the Food and Drink Federation (FDF), the voice of the UK food and drink manufacturing industry.

As the largest manufacturing sector in the UK, food and drink manufacturers employ over 500,000 people and have a combined annual turnover of £70bn. UK food and drink exports in 2005 were almost £10bn.

The following Associations are members of the Food and Drink Federation:

ABIM	Association of Bakery Ingredient Manufacturers
ACFM	Association of Cereal Food Manufacturers
BCA	British Coffee Association
BCCCA	Biscuit, Cake, Chocolate and Confectionery Association
BOBMA	British Oats and Barley Millers Association
BSIA	British Starch Industry Association
CIMA	Cereal Ingredient Manufacturers' Association
EMMA	European Malt Product Manufacturers' Association
FA	Food Association
FOB	Federation of Bakers
FPA	Food Processors' Association
GPA	General Products Association
IDFA	Infant and Dietetic Foods Association
MSA	Margarine and Spreads Association
NACM	National Association of Cider Makers
SB	Sugar Bureau
SIBA	Society of Independent Brewers
SMA	Salt Manufacturers' Association
SNACMA	Snack, Nut and Crisp Manufacturers' Association
SPA	Soya Protein Association
SSA	Seasoning and Spice Association
UKAMBY	UK Association of Manufacturers of Bakers' Yeast
UKTA	UK Tea Association

Within FDF there are the following sector organisations:

FF	Frozen Food Group
LDT	Lifestyle and Dietary Trends Group
MG	Meat Group
ORG	Organic Food and Drink Manufacturers' Group
SG	Seafood Group
VEG	Vegetarian and Meat Free Industry Group
YOG	Yoghurt and Chilled Dessert